

BEAVER CREEK Coal Company

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April 27, 1988

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DEPT OF INTERIOR  
BUR OF LAND MGMT

Mr. Bob Lopez  
Chief of Minerals Adjudication  
U.S. Department of the Interior  
Bureau of Land Management  
Utah State Office  
342 S. State Street - Suite 301  
Salt Lake City, Utah 84111-2303

U64233

SR/PR Rec'd MAY 18 1988

RE: Coal Exploration License Application - Trail Mountain  
Federal Lease Tract, Trail Mountain Area, Emery County,  
Utah; Beaver Creek Coal Company.

Dear Bob,

Beaver Creek Coal Company hereby submits an  
Exploration License Application, in order to conduct a coal  
exploration drilling program on unleased federal coal  
reserves in the Trail Mountain Federal Coal Tract, in Emery  
County, Utah.

As required by the Code of Federal Regulations,  
five copies of this application and five copies of the  
proposed Exploration Plan are enclosed. Also enclosed is  
the required filing fee of \$250.00. Proof of publication  
of our Notice of Invitation as published in the Sun  
Advocate (Price) and the Emery County Progress (Emery  
County) will be provided to you as soon as it is sent to  
Beaver Creek by these papers.

As the drilling season in this area is  
comparatively short, Beaver Creek would appreciate the  
prompt processing of this Application. If you have any  
questions or comments about this Application, please feel  
free to call me at (801) 637-5050 ext. 25. Thank you very  
much.

Sincerely,

*Kenneth S. Fleck*

Kenneth S. Fleck  
Geologist

Beaver Creek Coal Company  
P.O. Box 1378  
Price, Utah 84501

## INTRODUCTION

This Exploration License Application has been prepared by Beaver Creek Coal Company (Beaver Creek) in accordance with the requirements of the Code of Federal Regulations, Title 43, Chapter II, Subpart 3410. The proposed exploration area covers lands in Emery County, Utah, within which Beaver Creek plans to conduct an exploration drilling program, as described herein, to evaluate the reserves and quality of coal seams within the Blackhawk Formation.

The format used in 43 CFR 3410 is used as the format for this Exploration License Application. The exploration plan outlined within this Exploration License Application complies with the requirements of 43 CFR, Chapter II, Subpart 3482, as required by Section 3410.2-1(a)(3). The exploration plan format designated for Bureau of Land Management has been followed in this Exploration License Application.

The information contained in this Exploration License Application demonstrates that environmental protection and reclamation are integral parts of the proposed exploration program, and that reclamation will be performed in tandem with exploration activities. Sufficient information is provided in the Exploration Plan to demonstrate the effectiveness of Beaver Creek's proposed reclamation method.

FEDERAL COAL EXPLORATION LICENSE APPLICATION

TRAIL MOUNTAIN LEASE AREA

U64233

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FEDERAL COAL EXPLORATION LICENSE APPLICATION

(AS OUTLINED IN 43 CFR, CHAPTER II, SUBPART 3410)

3410.2 - "PRELICENSING PROCEDURES."

3410.2-1 - "APPLICATION FOR AN EXPLORATION LICENSE."

3410.2-1(a) - "EXPLORATION LICENSE APPLICATIONS SHALL BE SUBMITTED AT THE BUREAU OF LAND MANAGEMENT STATE OFFICE HAVING JURISDICTION OVER THE LANDS COVERED IN THE APPLICATION (43 CFR SUBPART 1821)."

This Exploration License Application is submitted to the Bureau of Land Management District Office in Salt Lake City, Utah, which has jurisdiction over the lands covered in this Application.

"THE APPLICATIONS SHALL BE SUBJECT TO THE FOLLOWING REQUIREMENTS:"

3410.2-1(a)(1) - "NO SPECIFIED FORM OF APPLICATION IS REQUIRED."

3410.2-1(a)(2) - "AN AREA IN A PUBLIC LAND SURVEY STATE FOR WHICH AN APPLICATION IS FILED SHALL BE DESCRIBED BY LEGAL DESCRIPTION OR, IF ON UNSURVEYED LANDS, BY METES AND BOUNDS, IN ACCORDANCE WITH 3471.1-1(D)(1) OF THIS TITLE. AN APPLICATION FOR AN EXPLORATION LICENSE ON ACQUIRED LANDS SHALL DESCRIBE THE AREA ACCORDING TO THE DESCRIPTION IN THE DEED OR DOCUMENT BY WHICH THE UNITED STATES ACQUIRED THE TITLE IN ACCORDANCE WITH 3471.1-1(D)(2) OF THIS TITLE."

The following table (Table 1) lists the legal description of the lands outlined in this Application, according to coal plat records maintained by the Bureau of Land Management.

## COAL/TAR SAND EXPLORATION DRILLING STIPULATIONS

1. The BLM Area Manager shall be notified 48 hours prior to start and completion of the program.
2. The lessee/licensee is responsible to see that all personnel contracted or otherwise doing work on the exploration program are aware of these approval requirements and abide by all regulations and stipulations governing this program. Any changes to the approved exploration plan must receive approval from the Area Manager prior to implementation.
3. When artesian flows or water horizons with possible development potential are encountered, the BLM Area Manager shall be notified immediately so that a determination may be made concerning their development potential. When possible, water samples shall be collected by the operator for analysis by the BLM. A written report is required upon completion of exploration as noted by Stipulation 9 H.
4. Upon completion of down-hole procedures, all drill holes shall be properly sealed from the bottom to the collar. Any variance from the procedures itemized below must be approved by the Area Manager.
  - A. Drill holes in coal deposits amenable to underground mining must be cemented from the bottom of the hole to at least 50 feet above the highest minable coal bed (4 feet thick or more) or aquifer.
  - B. The remainder of the hole to within 5 feet of the surface may be filled with a gel rather than cement which meets or exceeds the following standards:
    - 1) Ten-minute gel strength of 20 pounds/100 square feet.
    - 2) Filtrate volume should measure 13.5 cc on an API standard filter test.
    - 3) The marsh funnel viscosity should be a minimum of 50 seconds.
  - C. The 5-foot void at the surface will be plugged with cement except as required in stipulation #7.
5. Drill holes in tar sand deposits may be plugged with cement or plugging gels. Gels must meet the specifications identified in 4 B above. The 5-foot surface plug would still apply. Cementing aquifers would also be applicable as above.
6. If adverse downhole conditions prevent a completed drill hole from being properly plugged after attempting all standard industry plugging procedures, the Area Manager will be contacted immediately to make a determination as to a final plugging method.

7. The hole location is to be marked by placing an approved marker made of galvanized steel, brass, aluminum or similar non-corrosive metal in the concrete plug. Such markers are to show hole number, year drilled, lessee/licensee name, and as feasible, the section, township, and range in which the hole is located. Top of concrete plug, if located in cultivated field, must be set below normal plow depth (10 to 12 inches). In noncultivated areas, all marker caps should not protrude above the ground level.

8. The Area Manager shall be notified as to the time when the first hole is to be plugged so that a representative of the BLM may arrange to observe the plugging procedure. Subsequent observations of other holes being plugged will be arranged as appropriate.

9. Upon completion of exploration activities, a report as required by 43 CFR 3485.1 (formerly 30 CFR 211.62) shall be submitted to the Moab District Office. The report at a minimum must contain the following:

A. Location(s) and serial number(s) of lands under Federal lease or license on which exploration was conducted.

B. A description of the completed exploration operations that includes the number of holes drilled, total depth of each hole, and completion date of each hole.

C. A map showing the locations of all holes drilled, other excavations, and the coal or tar sand outcrop lines as appropriate. The scale of the map shall not be less than 1 inch equals 1 mile.

D. Analysis of coal or tar sand samples and other pertinent tests obtained from exploration operations,

E. Copies of all in-hole mechanical or geophysical stratigraphic surveys or logs, such as electric logs, gamma ray-neutron logs, sonic logs, or any other logs. The records shall include a lithologic log of all strata penetrated and conditions encountered such as water, gas or any unusual conditions.

F. Status of reclamation of the disturbed areas.

G. Any other information requested by the District Manager.

H. Hydrologic reports using the attached form.

10. An individual lease or license bond in an amount to be determined by the Area Manager shall have been filed with the proper office before commencement of exploration activities. The bond shall be used as required to cover costs incurred by the BLM to correct any violation of this program.